



## **South Coast Air Quality Management District**

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### **LOCAL GOVERNMENT & SMALL BUSINESS ASSISTANCE ADVISORY GROUP FRIDAY, SEPTEMBER 18, 2009 MEETING MINUTES**

#### **MEMBERS PRESENT:**

Dennis Yates, AQMD Governing Board Member, LGSBA Chairman  
Greg Adams, L.A. County Sanitation District  
Paul Avila, P.B.A. & Associates  
Geoffrey Blake, Metal Finishers of Southern California/All Metals  
Eric Busch, Representative, South Bay Cities Council of Governments  
Todd Campbell, Clean Energy  
Daniel Cunningham, Metal Finishing Association  
Jacob Haik, Office of School Board Member Richard Vladovic  
Maria Elena Kennedy, Kennedy Communications  
James R. Krausz, Esq., ALA Inland Counties  
Art Montez, AMA International  
Kelly Moulton, Paralegal  
Steve Mugg, South Orange County Representative, City of Mission Viejo

#### **MEMBERS ABSENT:**

Ronald Loveridge, AQMD Governing Board Member, LGSBA Vice Chairman  
Felipe Aguirre, Vice Mayor, City of Maywood  
Angelo Logan, East Yard Communities for EJ  
Todd Priest, Representative, Orange County Business Council

#### **OTHERS PRESENT:**

Earl Elrod, Board Member Assistant (*Yates*)  
Nicole Nishimura, Board Member Assistant (*Lyou*)  
Jacob Lieb, Southern California Association of Governments

#### **AQMD STAFF:**

Alan Caldwell, Community Relations Manager  
Joe Cassmassi, Planning & Rules Manager  
Deanna Doerr, Office Assistant  
Anupom Ganguli, Ph.D., Assistant Deputy Executive Officer/Public Advisor  
Aaron Katzenstein, Program Supervisor  
Lori Langrell, Secretary  
John Olvera, Principal Deputy District Counsel  
Ricardo A Rivera, Senior Staff Specialist  
William Sanchez, Senior Public Affairs Manager  
Laki Tisopulos, Assistant Deputy Executive Officer

Greg Ushijima, AQ Engineer II  
Jill Whynot, Director of Strategic Initiatives

**Agenda Item #1 - Call to Order/Opening Remarks**

Chair Dennis Yates called the meeting to order at 10:09 a.m.

**Agenda Item #2 – Approval of July 17, 2009 Meeting Minutes/Review of Follow-Up/Action Items**

Chair Yates called for approval of the meeting minutes.

The July 17, 2009 meeting minutes were approved.

***Action Item:** Mr. Naveen Berry to provide information regarding how compounds are expressed for Title V permitting to Mr. Greg Adams.*  
Completed as requested.

***Action Item:** Provide to Advisory Group members web links to the House and Senate for bill tracking and progress.*  
Completed as requested.

***Action Item:** Email to Advisory Group members the SCAQMD Board Approved Policy Recommendations regarding the Waxman-Markey bill.*  
Completed as requested.

***Action Item:** Place the priority reserve credit issue on the September Agenda for a status update to the Advisory Group.*  
Added per emergency motion, and discussed.

A formal emergency motion for a presentation on SB 827 was made at the meeting, which was seconded, and passed.

Dr. Ganguli gave a presentation regarding SB 827, and provided copies of the Legislative Committee agenda packet containing four bills of interest. Chair Yates noted that SB 827 sunsets on May 1, 2012 and AB 1318 has a sunset date of either 2011 or 2012. He added that both bills are waiting for the Governor's signature.

Mr. Adams asked if AQMD's reputation has been compromised due to the efforts to move SB 827. Chair Yates confirmed this. Mr. Adams further asked if this is a precursor towards power plants having their own dedicated bill in order to access Priority Reserve credits. Mr. William Sanchez replied that under the current system the only way power plants can access the Priority Reserve is under the mandate of the Legislature. He added that staff will be watching the outcome of SB 388 for the power plants in the City of Industry as well as the needs assessment (per AB 1318). Mr. Adams asked if that means that no action can be taken without a needs assessment. Dr. Ganguli stated that a needs assessment is only needed for new power plant proposals. Chair Yates added that the needs assessment is meant to indicate what power plants have obsolete equipment that need to be replaced with cleaner equipment.

Mr. Busch asked if this will affect the plant in El Segundo. Dr. Ganguli replied that repowering modifications are exempt if emissions are lowered; however, if the repowering results in emissions increases, then that would require the purchase of credits on the open market, if SB 827 is enacted.

Mr. Art Montez asked why there is a penalty being assessed if you are trying to be more efficient. Dr. Ganguli responded that there are Federal and State New Source Review (NSR) regulations that require emission offsets when there is a potential emission increase, rather than an actual emission increase. Mr. Montez then asked for verification as to when SB 827 will go into effect, and whether it would be January 1, 2010. Dr. Ganguli confirmed this, following enactment into state law.

Mr. Montez then asked if the power plants are going to be put in industrial areas. Chair Yates replied that assessments will be done through CARB. Mr. Montez then asked if CARB will do the assessments themselves, or if they will have a contractor undertake the task. Mr. Sanchez indicated that this has not been determined yet, but the bill calls for an assessment to be done by July 2010.

Chair Yates advised the Advisory Group members of an excellent article on the web regarding SB 827 on the Rough and Tumble website ([www.rtumble.com](http://www.rtumble.com)).

**Agenda Item #3 – Update on Proposed Amended Rule 1111 – Reduction of NO<sub>x</sub> Emissions from Natural-Gas-Fired, Fan-Type Central Furnaces**

Mr. Joe Cassmassi gave an update on Proposed Amended Rule 1111 – Reduction of NO<sub>x</sub> Emissions from Natural-Gas-Fired, Fan-Type Central Furnaces.

Mr. Geoff Blake asked if this pertains to new equipment only. Mr. Cassmassi confirmed this, and added that builders will be involved for new construction, as well as homeowners for replacement units. Mr. Blake asked to compare 40 ng/J in relation to ppm. Mr. Cassmassi replied that it is 20 ppm. Mr. Blake asked if this is going to be a 49 state requirement. Mr. Cassmassi replied that others will typically follow what happens in California, and that this is in line with what is being proposed and developed in European countries.

Mr. Steve Mugg asked for clarifications regarding the reduction of NO<sub>x</sub>, and if there are any negative impacts on other pollutants. Mr. Cassmassi indicated all manufacturers have discussed the reduction of NO<sub>x</sub>, as well as keeping CO at the same levels, always keeping safety in mind. Mr. Mugg asked whether there can be partial unit replacement, and whether anything has addressed after-market units/cost. Mr. Cassmassi replied that the units as a whole are what is going to be replaced, not parts. He added that parts cannot be replaced due to existing technology.

Mr. Greg Adams asked if this will be targeted mainly to new construction. Chair Yates replied that the impact on the South Coast is that 36% of the state population lives in the South Coast region, approximately 17 million people. He added that any rule that impacts the South Coast will have a ripple effect.

Mr. Art Montez asked if there are any financial incentive programs to retrofit old equipment. Mr. Cassmassi responded that there is no effort to retrofit units, the goal is to replace a furnace if

it dies. Mr. Montez then asked if there will be extra bond money after the bonds are released in January to offer rebates, etc. for replacing a furnace when the rule takes effect. Mr. Cassmassi responded that he believes the Gas Company will have incentives. Dr. Ganguli added that he believes the Stimulus Package has incentives as well.

#### **Agenda Item #4 –Update on SB 375 (Steinberg) Implementation**

Mr. Jacob Lieb of Southern California Association of Governments, gave an update on SB 375 (Steinberg) Implementation.

Ms. Maria Elena Kennedy asked how projects, especially in the Inland Empire, such as the New Model Colony in Ontario, are playing out with the housing downturn. Mr. Lieb responded that the housing downturn has been a concern, and has been taken into account by the Regional Targets Advisory Committee at the State level.

Mr. Blake asked if the practice of locating businesses on the bottom floor of a building with housing on the top floor is working. Mr. Lieb responded in the affirmative, and added that horizontal configuration is becoming increasingly popular.

Mr. Montez asked if sustainable buildings are being looked at. Mr. Lieb replied that in SB 375 a land use strategy is set out for the region, consistent with the land use pattern. Appropriate sites are identified for the region's growing population, including affordable need.

Ms. Kennedy asked if the developer of the Dos Lagos project in Corona had moderate or affordable housing available. Mr. Lieb responded that he did not believe the project included affordable housing.

Mr. Adams asked if Senator Steinberg was going to follow up with a funding bill. Mr. Lieb replied there is a bill, SB 732, that provides a process to allocate funds mostly for planning, not implementation. He added that it is still contingent upon the state being able to issue bonds, so the money is not yet available.

Ms. Kelly Moulton asked if there was a bill that was enrolled to amend and clean up some language of SB 375. Mr. Lieb stated that SB 575 was such a bill, but that he does not think the bill will move forward. The issues that SCAG sought in SB 575 were to expand the CEQA provisions within the bill to provide for some relief to transportation projects as well as development projects. He added that SCAG is also seeking an extension of the grandfathering provisions for transportation projects, but does not believe they were successful in getting any of those items in the clean-up bill.

Mr. James Krausz asked whether within the sustainable communities land use plans, there was a plan for keeping open space and/or wildlife corridors. Mr. Lieb explained that since the early stages of SB 375, there has been a priority for open space preservation, and it now requires one of the first steps to be the identification of sensitive areas. Mr. Krausz then asked about the interrelationship between general planning by cities and SCAG's efforts. Mr. Lieb replied that SCAG does not have direct authority on land use, SB 375 merely suggests the specifics, but can't deviate from local general land use plans. He added that SCAG cannot dictate or force anyone to do anything.

Mr. Mugg asked about the components of job housing balance projects, wherein Mr. Lieb alluded to a smaller definition of what a region or area might be. Mr. Lieb added that they are trying to avoid the issue of political boundaries for those projects. What they feel might be a successful component of the strategy is that when cities are doing a specific plan that they can consider a jobs and housing mix such that there are opportunities for the residents. Mr. Mugg further asked if the goal of SCAG is to create a regional view of jobs/housing. Mr. Lieb replied that they do not feel that that this type of strategy will work.

Mr. Lieb announced that SCAG will be hosting a regional workshop on November 18, 2009 at the Ontario Convention Center. He does not have the specific details as to the time of the workshop but will forward them to AQMD.

***Action Item:** Forward to Advisory Group members via email information regarding the SCAG regional workshop of November 18, 2009.*

#### **Agenda Item #5 – Update on the Tree Planting Partnership**

Mr. Aaron Katzenstein gave an update on the Chairman's Initiative for tree planting partnerships with cities within the District.

Mr. Blake commented on the number of people necessary to plant trees for the various approved projects. Mr. Katzenstein replied that one of the criteria is student employment.

Mr. Adams asked if a list can be provided with the top three to five trees that do not emit VOC's. Mr. Katzenstein replied that he can provide a listing of trees to the Advisory Group.

***Action Item:** A list of no VOC or low VOC emitting trees will be provided as an attachment to the minutes.*

Mr. Dan Cunningham asked how much money is left in the program. Mr. Katzenstein replied that there was \$1.5 million in total funding, of which \$686,700 will be awarded at this time. This program will be going before the Board again on October 2, 2009. Mr. Cunningham further asked if the group will be notified if the Board approves additional funding for the program, and Mr. Katzenstein affirmed this.

Ms. Moulton stated that school districts have a lot of service learning components now given that the university system requires service learning, so that would be a good project to put out to all the schools. Mr. Katzenstein responded that the Chairman specifically wanted students to be paid for the work they performed, especially during the current economic downturn.

#### **Agenda Item #6 – Monthly Report on Small Business Assistance Activities**

No comments.

#### **Agenda Item #7 – Update on Climate Change Activities (Written Report)**

Ms. Whynot provided a written report update on climate change activities.

#### **Agenda Item #8 - Other Business**

Mr. Todd Campbell stated his understanding that Dr. Burke sent a letter to the ARB concerning their request for a delay of the board meeting on September 24<sup>th</sup>, since the Prop 1B funds are

very time sensitive. Mr. Campbell inquired as to what AQMD's next step with this issue would be. Chair Yates replied that his understanding is that Dr. Wallerstein is talking with ARB to set another date earlier.

**Agenda Item #9 - Public Comment**

No comments.

**Agenda Item #10 - Adjournment**

The meeting adjourned at 11:44 a.m.